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## The Effects of Strategic Hospital Alliances on Hospital Efficiency

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### Abstract

This study examines the effects of strategic alliances on the efficiency of hospitals controlled by the Department of Health in Taiwan. Overall, it is found that the efficiency of the hospitals improved after they formed strategic hospital alliances (SHAs). The results also indicate that smaller hospitals located in competitive areas are more efficient, as exemplified by shorter patient stays, higher occupancy rates, and lower mortality rates. Based on Taiwan's experience, it is inferred that SHAs do improve the performance of the participating hospitals. It is hoped that the results of this study will encourage health policy officials and healthcare organizations in other countries to consider implementing similar strategies for their hospitals.

Key words : Strategic alliance; Efficiency; Hospital